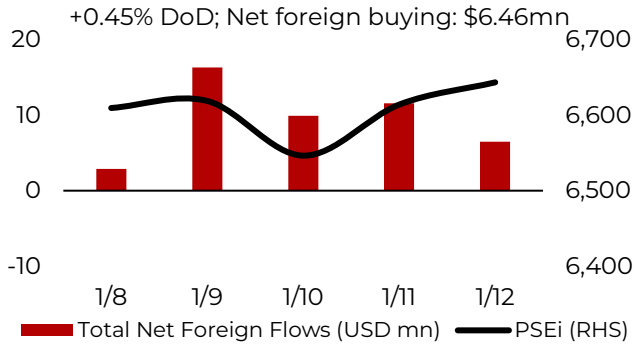


# The Morning View

JANUARY 15, 2024

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,643.18	+0.45%
3-mo bond yield	5.34%	+7.64 bps
2-yr bond yield	5.91%	+0.72 bps
10-yr bond yield	6.24%	-0.88 bps
USDPHP	55.91	-0.07%
Oil (Brent, \$ / barrel)	78.29	+1.14%

### Newly appointed Finance Secretary Ralph Recto was urged to prioritize reforms on tax compliance rather than new taxes.

According to Recto, he is committed to reaching the tax collections this year. The Bureau of Internal Revenue and Bureau of Customs are expected to raise Php3.05 trillion and Php1 trillion, respectively.

### Mynt, owner of GCash and fintech arm of Globe Telecom, Inc. (Ticker: GLO), targets to go public by the second half of this year.

Management shared that they are already preparing internally but are still waiting for market conditions to improve.

**Local equities** gained despite the faster-than-expected US CPI print as core figures settled within expectations. Comments from Fed officials saying that inflation is still expected to gradually decelerate to the 2% target boosted sentiment. The PSEi closed at 6,643.18 (+0.45% DoD)

**Local fixed income yields** ended mixed after the faster-than-expected US CPI inflation print in December raised uncertainty on the path ahead for policy rates. On average, yields rose by 1.54 bps, with the 2Y closing at 5.91% (+0.72 bps) and the 10Y closing at 6.24% (-0.88 bps).

The **Philippine peso** mildly strengthened after the US core CPI inflation in December fell within expectations. The USD/PHP pair closed at 55.91 (-0.07% DoD).

**US Producer Price Index (PPI) rose 1.0% YoY in December (Nov: 0.9%) due to declining food and energy prices.** This was slower than the market consensus estimate of 1.3% YoY. Likewise, core PPI rose by 1.8% YoY in December (Nov: 2.0%), settling below expectation of 2.0%.

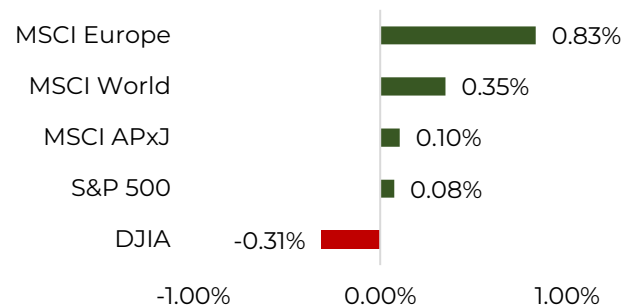
**The US and UK led joint military strikes against Houthi targets in Yemen.** The military escalation was in response to the continued attacks on commercial shipping in the Red Sea. Oil prices rose in response as concerns grew that the escalation would affect the supply of oil in the region.

**US equities** were mixed as the earnings season kicked off and after the below-consensus US PPI inflation print in December. The S&P 500 closed at 4,783.83 (+0.08% DoD) and the DJIA closed at 37,592.98 (-0.31% DoD).

**US Treasury yields** declined as US PPI inflation decelerated faster than expectation. On average, yields fell by 2.94 bps, with the 2Y closing at 4.15% (-10.30 bps) and the 10Y closing at 3.94% (-2.50 bps).

The **US dollar** slightly strengthened on safe-haven demand amid heightened geopolitical tensions in the Middle East. The DXY closed at 102.40 (+0.11% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	4,783.83	+0.08%
DJIA	37,592.98	-0.31%
3-mo US Treasury yield	5.38%	-0.60 bps
2-yr US Treasury yield	4.15%	-10.30 bps
10-yr US Treasury yield	3.94%	-2.50 bps
DXY	102.40	+0.11%